(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA): (a) and (b) No, Sir. The Government has only made a provision in the Resolution No. 27(21)EO/86(ACC) dated 3.3.1987 by which the Public Enterprises Selection Board (PESB) was reconstituted, for making appointment to a particular post or posts in a Public Sector Enterprises, in special circumstances, other than through the PESB with the prior and specific approval of the Appointments Committee of the Cabinet (ACC).

Implementation of VRS

49. SHRI RAMDAS AGARWAL: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) what is the amount spent so far by Government towards implementation of Voluntary Retiremet Scheme since the year of inception/ Introduction, year-wise PSU-wise, allocation made, year-wise and PSU-wise; and

(b) what is the basis of calculation of total payable amount to an individual who opts for VRS indicating the formula adopted in this regard and number of employees paid the required amount till 30th June, 2000?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABH BHAI KATHIRIA): (a) and (b) The amount spent by Government (PSU-wise and year-wise) towards implementation of Voluntary Retirement Scheme (VRS) since inception, as per available information, is enclosed as Statement-I. — (*See* below). The calculation of total payable amount to an individual who opts for VRS is based on the forumla indicated in the extant Government guidelines to this effect. Guidelines dated 5.10.88 and the new guidelines issued on 5.5.2000 are annexed as Statement-II (*See* below).

The information relating to number of employees paid the required amount till 30th June, 2000 is being collected from the PSUs and will be laid on the Table of the House.

Statement-I

Statement of the amount spent by Government Towards Implementation of Voluntary Retirement Scheme since inception

(Rs. in Crores)

S.No.	Name of PSU	Since Inception Upto 31.3.95	95-96	96-97	97-98	98-99
1.	Bengal Chemicals & Pharmaceuticals Ltd.	7.78	0.85	0.49	0.45	0.45
2.	Bengal Immunity Ltd.	4.63	0.41	0.51	0.21	0.04
3.	*Hindustan Antibiotics Ltd.*	—	—	5.36	2.10	2.33
4.	Indian Drugs & Pharmaceuticals Ltd.	45.52	18.58	4.94	—	5.64
5.	Smith Stanistreet & Pharmaceuticals Ltd.	3.92	0.52	0.22	0.17	0.05
6.	Fetilizer Corpn. of India Ltd.	25.89	2.51	1.63	2.01	0.89
7.	Hindustan Fertilizer Corpn. Ltd.	31.89	2.00	2.50	0.75	4.00
8.	*Projects & Development India Ltd.*	9.41	0.76	0.41	10.56	2.50
9.	Pyrites, Phosphates & Chemicals Ltd.	4.68	0.43	0.29	0.27	—
10.	*HTL Ltd.*	—	2.00	0.48	3.27	5.48
11.	ITI Ltd.	—	5.00	5.50	28.50	15.53
12.	Hindustan Vegetable Oils Corpn. Ltd.	6.05	0.18	0.88	0.18	—
13.	Bharat Earth Movers Ltd.	10.00	—	4.00	3.00	1.00
14.	Garden Reach Shipbuilders & *Engineers Ltd.*	—	—	1.32	1.00	1.00
15.	Mazagon Dock Ltd.	14.65	3.93	2.99	1.80	0.50
16.	Vignyan Industries Ltd.	0.76	0.08	0.02	0.11	—
17.	Bharat Brakes & Valves Ltd.	1.21	0.49	0.27	0.10	—
18.	Bharat Heavy Plate & Vessels Ltd.	0.62	1.15	—	—	—
19.	Bharat Leather Corpn. Ltd.	0.88	0.05	0.04	0.08	0.05
20.	Bharat Ophthalmic Glass Ltd.	1.39	0.09	0.03	—	—
21.	Bharat *Pumps & Compressors Ltd.*	2.70	0.11	0.05	0.32	—
22.	Braithwaite & Co. Ltd.	18.02	—	0.38	—	0.40
23.	Bridge & Roof Co. (India) Ltd.	4.50	—	—	—	—
24.	Cement Corpn. of India Ltd.	5.41	0.13	0.05	0.06	0.46
25.	Engineering Projects (India) Ltd.	3.21	0.72	0.83	0.71	0.88
26.	*Heavy Engineering* Corpn. Ltd.	105.88	8.24	10.09	20.00	11.50
27.	Hindustan Cables Ltd.	—	5.50	14.09	20.75	20.00
28.	Hindustan Paper Corporation Ltd.	0.72	0.06	0.16	—	—
29.	Hindustan Photo Films Manufacturing Corpn. Ltd.	8.66	0.55	3.49	1.52	2.93
30.	Hindustan Salts Ltd.	1.33	0.04	—	—	0.50
31.	HMT Ltd.	54.80	14.92	17.27	32.54	40.41
32.	Instrumentation Ltd.	13.93	1.67	2.05	4.48	—
33.	Jessop & Co. Ltd.	5.25	—	—	11.00	—

(*Rs. in Crores*)

S.No.	Name of PSU	Since Inception Upto 31.3.95	95-96	96-97	97-98	98-99
34.	Mandya National Paper Mills Ltd.	1.32	—	2.29	0.09	0.44
35.	Mining & Allied Machinery Corpn. Ltd.	59.91	—	0.01	—	—
36.	Nagaland Pulp & Paper Company Ltd.	3.75	0.17	0.07	0.15	0.13
37.	National Bicycle Corporation of India Ltd.	8.10	—	—	—	2.95
38.	National Industrial Dev. Corpn. Ltd.	0.50	—	—	—	4.60
39.	National Instruments Ltd.	4.59	—	—	—	11.17
40.	Nepa Ltd.	5.04	0.49	1.22	2.73	0.47
41.	Praga Tools Ltd.	2.29	1.13	0.17	—	2.25
42.	Rehabilitation Industries Corpn. Ltd.	14.37	9.39	0.86	0.50	34.13
43.	Richardson & Cruddas (1972) Ltd.	23.27	4.13	2.62	3.65	4.65
44.	Sambhar Salts Ltd.	0.61	0.01	—	—	0.03
45.	Scooters India Ltd.	13.32	0.13	0.06	—	0.07
46.	Tannery & Footwear Corpn. of India Ltd.	3.51	—	—	—	—
47.	Triveni Structurals Ltd.	10.06	0.77	0.81	3.04	—
48.	Tungabhadra Steel Products Ltd.	0.65	0.30	—	—	—
49.	Tyre Corporation of India Ltd.	10.51	3.35	2.79	1.23	0.90
50.	Bharat Aluminium Co. Ltd.	2.50	—	—	—	—
51.	Bharat Gold Mines Ltd.	28.90	3.11	4.79	30.69	1.30
52.	Hindustan Copper Ltd.	—	9.79	6.14	14.00	7.36
53.	Hindustan Zinc Ltd.	—	—	—	—	32.00*
54.	Mineral Exploration Corpn. Ltd.	9.08	0.01	0.03	0.01	0.05
55.	Biecco Lawrie Ltd.	—	—	—	0.50	0.06
56.	National Small Industries Corpn. Ltd.	—	3.68	2.55	2.52	10.36
57.	Bharat Refractories Ltd.	6.32	0.25	0.44	1.10	0.16
58.	Hindustan Steel Works Costn. Ltd.	69.77	33.00	2.66	7.00	13.75
59.	Indian Iron & Steel Co. Ltd.	14.70	7.90	11.60	16.40	5.70
60.	Manganese Ore (India) Ltd.	—	2.00	—	—	—
61.	Metallurgical & Engg. Consultants (India) Ltd.	—	—	0.48	1.23	0.28
62.	Sponge Iron India Ltd.	—	0.52	1.56	0.12	0.94
63.	Central Inland Water Transport Corpn. Ltd.	9.58	1.09	0.69	0.54	2.50
64.	Hindustan Shipyard Ltd.	24.20	2.50	5.70	1.00	8.00
65.	Hooghly Dock and Port Engineers Ltd.	5.54	0.35	0.48	0.18	0.21
66.	British India Corporation Ltd.	5.57	2.57	2.74	4.14	3.47
67.	Cawnpore Textiles Ltd.	6.96	0.55	0.03	2.04	0.55
68.	Elgin Mills Company Ltd.	33.04	2.45	1.32	6.07	1.65
69.	Handicrafts & Hindlooms Exports Corp. India Ltd.	—	—	—	—	2.13
70.	Jute Corpn. of India Ltd.	0.77	0.42	1.25	0.34	0.26
71.	National Jute Manufacturers Corporation Ltd.	18.13	10.65	7.35	2.87	1.95
72.	North Eastern Handicrafts & Handloom Dev. Corp.	0.02	0.01	—	—	—
73.	NTC (A. Pradesh, Karnataka, Kerala & Mahe) Ltd.	29.44	1.21	19.49	6.41	3.04

(*Rs. in Crores*)

S.No.	Name of PSU	Since Inception Upto 31.3.95	95-96	96-97	97-98	98-99
74.	NTC (Delhi, Punjab & Rajasthan) Ltd.	13.14	1.80	1.55	0.23	0.00
75.	NTC (*Gujarat*) *Ltd.*	56.40	3.85	1.71	3.24	4.03
76.	NTC (Madhya Pradesh) Ltd.	38.55	3.26	4.55	8.91	2.66
77.	NTC (Maharashtra North) Ltd.	70.66	3.78	1.79	13.55	23.08
78.	NTC (South Maharashtra) Ltd.	60.64	3.99	2.07	12.41	17.92
79.	NTC (Tamil Nadu & Pondicherry) Ltd.	13.15	4.78	4.51	19.38	8.43
80.	NTC (Uttar Pradesh) Ltd.	#52.02	0.78	3.61	8.81	10.42
81	NTC (West Bengal, Assam, Bihar & Orissa) Ltd.	37.87	10.87	12.15	19.03	2.75
82.	Hindustan Prefab Ltd.	3.87	1.64	0.07	0.47	0.02
83	National Bldg. Constn. Corpn. Ltd.	4.08	0.79	0.47	0.25	0.54
84	National Projects Construction Corpn. Ltd.	14.15	2.50	2.44	4.73	4.13
85.	*Electronics Corpn. of India* Ltd.	4.80	3.79	1.99	7.65	2.86
		1194.39	214.73	197.45	353.05	350.89

*Total upto 1998-99

#From NTC Ltd. holding company

Statement-II

Guidelines with regard to V.R.S.
A No.2(36) / 86-BPE (WC)
Government of India
Ministry of Industry
Bureau of Public Enterprises

* * * * *

Public Enterprises Bhavan,
CGO Complex, Block No. 14,
Lodi Road, New Delhi-110003.
Dated the 5th October, 1988.

OFFICE MEMORANDUM

Subject: Voluntery Retirement for the employees of Public Enterprises.

Government had been considering for quite some time the introduction of a voluntary retirement scheme for the employees of public sector enterprises with a view to reducing surplus manpower. After careful consideration it has been decided that public sector enterprises can introduce a voluntery retirement scheme on the following terms and conditions:-

(a) An employee who has completed 10 years of service or completed 40 years of age may seek voluntary retirement by written request.

(b) The management of the enterprise will have the right not to grant voluntary retirement for reasons to be recored in writing.

(c) The terminal payments available to an employee who seeks voluntary retirement would be:

(i) the balance in his Provident Fund Account payable as per the CPF regulation.

(ii) cash equivalent of accumulated earned leave as per the rules of the enterprise.

(iii) gratuity as per Gratuity Act or the gratuity scheme applicable to the employees.

(iv) one months / three months notice pay (as per the conditions of service applicable to him).

(d) In addition, an employee whose request for Voluntary Retirement is accepted would also be entitled to an ex-gratia payment equivalent to 1 months' emoluments (Pay + DA) for each completed year of service or the monthly emolument at the time of retirement multiplied by the balance months of service left before normal date of retirement, whichever is less. For example, an employee, who has put in 24 years of service and has got only one year of service for normal retirement will get ex-gratia payment of only 12 months' emoluments and not 36 months emoluments.

(e) In addition the employee and his family would also be entitled to travel by the entitled class to the place where he intends settling down.

2. the Voluntary Retirement Scheme would be applicable to all employees, workers and excutives. Where there is a surplus manpower, the vacancy caused by Voluntary Retirement Scheme would not be filled up. Voluntary Retirement Schemes on the above parameters can be introduced by the Public Enterprises with the approval of the Administrative Ministries.

3. If in exceptional cases where a higher ex-gratia payment is proposed to be made, the approval of the Bureau of Public Enterprises must be obtained by the administrative Ministries. It is also clarified that if an enterprise has already adopted a Voluntary Retirement Scheme, on conditions different from what is stated in para one above, the same can be continued by them. Availability of funds for implementing the Voluntary Retirement Scheme as proposed above has to be sorted out by the administrative Ministries through normal inter-ministerial consultations.

4. Ministry of Petroleum & Natural Gas, Ministry of Agriculture & Cooperation etc. are requested to bring the details of the Voluntary Retirement Scheme to the notice of the PSEs under their administrative control.

(Krishna Chandra)
Joint Director,Bureau of Public Enterprises
Tel. No. 360841.

To

All administrative Ministries / Departments of the Government of India.

Copy to:-

1. Chief Executive of the Public Enterprises.
2. Secretary, SCOPE, CGO Complex, Lodi Road, New Delhi.
3. Comptroller & Auditor General of India, AGCR Building, Indraprastha Estate, New Delhi110002.
4. Secretary (PE) / AS, BPE / Adviser (F) / JA(W) / JA(B) / DS(C) / Director(F) / JD (IARR), BPE, New Delhi.
5. All financial Advisers in the Administrative Ministries.
6. Department of Expenditure, E-II Branch, North Block, New Delhi.
7. Additional Secretary, Insurance Division, Department of Economic Affairs, Nirvachan Sadan, New Delhi.
8. Additional Secretary, Banking Division, Department of Economic Affairs, Jeevan Vihar Building, New Delhi.
9. Secretary, PESB, CGO Complex, Lodi Road, New Delhi.
10. Secretary, HPPC, CGO Complex, Lodi Road, New Delhi.

(Krishna Chandra)
Joint Director, Bureau of Public Enterprises
Tel. No. 360841.

No. 2(32)/97-DPE(WC) GL-XXII
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises

Public Enterprises Bhavan
Block No. 14 CGO Complex, Lodi Road
New Delhi-110003.

Dated the 5th May, 2000

OFFICE MEMORANDUM

Subject: Introduction of a revised Voluntary Retirement Scheme (VRS).

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The Government had announced a Voluntary Retirement Scheme (VRS) vide OM No. 2(36)/86BPE(WC) dated 5th October, 1998. Government have revised the scheme to make it more efficacious having regard to both, the interests of the employees and the need to enable Public Sector Enterprises, (PSEs) to rationalize their surplus manpower.

2. Enterprises which are financially sound and can sustain a schemes of VRS on their own surplus resources may devise and implement variants of the existing VRS cited in para I above. However, in no case shall the compensation exceed 60 days salary for each completed year of service *or* the salary for the number of months service left, *whichever is less*. Salary for the purpose of VRS shall consist of basic pay and DA only and no other element.

3. Enterprises that make marginal profits or loss-making enterprises may adopt the revised scheme of VRS which is modelled on the Scheme that exists in the State of Gujarat. The details of the scheme are set out hereunder.

(i) The compensation will consist of salary of 35 days for every completed year of service and 25 days for the balance of service left until superannuation. The compensation will be subject to a minimum of Rs. 25,000/— or 250 days salary whichever is higher. However, this compensation shall not exceed the sum of the salary that the employee

would draw at the prevailing level for the balance of the period left before superannuation.

(ii) Salary for purpose of VRS will consist of basic pay and DA only.

(iii) Arrears of wages due to revision etc. will not be included in computing the eligible amount.

(iv) Payment of bonus should conform to the provisions in the Bonus. Act; Casual leave may be encashed in proportionate measure upto the date of VRS.

4. A suitable variant of the arrangement in para 3 above may be developed by the Ministry of Textiles in respect of Textiles units subject to the conditions attached thereto.

5. For sick and unviable units, the VSS package of Department of Heavy Industry will be adopted. As a corollary, the VSS schemes may be modelled on Gujarat pattern and be made applicable as in para 3 above. However, employees would have to opt for VSS within 3 months from the date of offer failing which they would be eligible only for retrenchement compensation. The details of VSS are as under:—

(i) An employee would be entitled to an ex-gratia payment equavalent to 45 days emoluments (Pay + DA) for each completed year of service or the monthly emolument at the time of retirement multiplied by the balance months of service left before the normal date of retirement, whichever is less;

(ii) All those who have completed not less than 30 years of service, will be eligible for a maximum of 60(sixty) months salary/wage as compensation. This will be subject to the amount not exceeding the salary/wage for the balance period of service left (at the rate of monthly salary/ wage at the time of voluntary retirement).

6. The compensation under VRS/VSS will be in addition to terminal benefits.

7. Employees of industrial cooperatives with Government equity participation and who are not members of the cooperative will also be covered under the VRS.

8. Budgetary support will be provided to the marginally profit or loss making enterprises and to the sick enterprises for implementing VRS only in

case bank credit is not available. The funds would normally be made available at the beginning of the financial year. However, before seeking budgetary support in cases of univiable / sick PSUs other sources of funding should be fully explored such as asset securitisation and bank loans against Government guarantee for funding VRS / VSS.

9. VRS will be applicable to the permanent employees, badli workers, work charged established and temporary workers **but not** to the casual workers. There will be no recruitment against Dacancies arising due to VRS.

10. It will be the responsibility of the concerned administrative Ministry to assist those opting for VRS in getting loans from banks for pursuing gainfulself employment.

11. NRF in its present form will cease to exist. The funds required for retraining/rehabilitation of employees availing of VRS will be placed with the Department of Public enterprises under arrangements to be evolved.

12. In implementing the VRS scheme, managements shall ensure that it is extended primarily to such employees whose services may be dispensed without detriment to the company. Care will be exercised to ensure that highly skilled and qualified workers and staff are not given the option. As there shall be no recruitment against vacancies arising due to VRS— it is important that the organisation is not denuded of talent. The managements of the PSUs shall introduce the VRS with the approval of their Boards and the administrative Ministries.

13. The administrative Ministries/Departments are requested to bring the details of the Voluntary Retirement Scheme and the Voluntary Separation Scheme to the notice of the Public Enterprises under their administrative control and to ensure that PSEs implement the scheme strictly in accordance with the provision set out herein.

14. This O.M. supersedes O.M. No. 2(36)/86-BPE(WC) dated 5th October, 1988 and subsequent circulars issued on the subject.

(S. Talwar)
Joint Secretary to the Government of India.

To

All administrative Ministries/Departments of the Government of India.

Copy to:

1. Chief Executives of the Public Enterprises.

2. Secretary, SCOPE, CGO Complex, Lodi Road, New Delhi.

3. Comptroller &Auditor General of India, AGCR Building, Indraprastha Estate, New Delhi-110002.

4. All Financial Advisers in the administrative Ministries.

5. Secretary, Department of Expenditure, North Block, New Delhi.

6. Secretary, Department of Disinvestment.

7. Special Secretary, Banking Division, Department of Economic Affairs, Jeevan Deep Building, New Delhi.

8. Secretary, PESB, CGO Complex, Lodi Road, New Delhi.

Contribution of PSUs

50. SHRI C.O. POULOSE: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the contribution of PSUs towards GDP, employment opportunities, tax contributions and export earnings have resulted in substantial changes in the recent past; and

(b) if so, the details of performance of PSUs during the current Five Year Plan period in respect of the above parameters?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABH BHAI KATHIRIA): (a) and (b) The information regarding performance of Central Public Sector Undertakings in terms of GDP, employment opportunities, tax contributions and export earnings during current Five Year Plan and preceding one year is given in the statement below.